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**U.S. INDICTS TWO MEN IN SCHEME TO EXPORT MILITARY
NIGHT-VISION EQUIPMENT TO HIZBALLAH**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced the filing of a three-count Indictment in Manhattan Federal Court against NAJI ANTOINE ABI KHALIL and TOMER GRINBERG for their involvement in a scheme to ship night-vision goggles, infrared aiming devices, and other military night-vision equipment to Hizballah, the Lebanon-based terrorist organization. KHALIL is charged with attempting to provide material support and resources to a terrorist organization and attempting to contribute goods to a specially designated terrorist. KHALIL is also charged, together with GRINBERG, with conspiring to export sensitive military night-vision equipment out of the country without first obtaining the necessary licenses from the State Department and the Commerce Department.

According to a Complaint which was previously filed in the case, KHALIL - who holds dual citizenship in Canada and Lebanon - is the Chairman and General Manager of New Line

Services, an import/export shipping company located in Montreal, Canada. Prior to engaging in the night-vision equipment export transaction that is charged in the Indictment, KHALIL had been the subject of a long-term money laundering investigation run out of the FBI's Little Rock, Arkansas office. During that investigation, KHALIL was recorded in numerous meetings with a confidential witness (the "CW"). In one of those meetings conducted in Beirut, Lebanon, in August 2001, KHALIL told the CW that he traveled all over the world collecting money which was then laundered through Bank Al-Madina in Beirut. KHALIL further stated that his organization had been laundering money for Russian Organized Crime for some time, using bank accounts at Bank Al-Madina.

As explained in the Complaint previously filed in this case, during recorded meetings between the CW and KHALIL that took place in a hotel room in Los Angeles, California, in 2002, the CW introduced KHALIL to an undercover agent posing as a heroin dealer. During one of those meetings, KHALIL accepted \$100,000 in cash from the undercover agent to launder through the Bank Al-Madina. Also during that meeting, KHALIL told the CW that the largest amount of money he ever picked up was \$160 million.

KHALIL has also been charged with conspiring to engage in money laundering in a Complaint filed in the Eastern District of Arkansas.

According to the Complaint previously filed in Manhattan Federal Court, on or about May 17, 2004, KHALIL flew from Canada to New York to meet with the CW regarding a shipment of stolen electronics that needed to be exported out of the country. KHALIL and the CW met several times on May 17 and May 18 at the Marriott Marquis Hotel in Manhattan. Those meetings were monitored by law enforcement agents from an adjoining hotel room on a video and audio monitor. During the meetings, the CW told KHALIL that he had a customer who wanted to ship night-vision goggles to Hizballah in Athens, Greece. KHALIL responded that it was not a problem and he had "friends."

As explained in the Complaint previously filed in this case, during another meeting between KHALIL and the CW at the Marriot, the CW introduced KHALIL to another undercover FBI agent who was posing as the CW's customer. The undercover agent told KHALIL that he wanted to ship night-vision goggles and infrared aiming devices to Athens, Greece. The undercover agent provided KHALIL with the point of contact and address of individuals who would receive the shipment in Greece. KHALIL agreed to create a fictitious bill of lading so that the items being shipped and the identity of the shipper would not be revealed.

Also according to the Complaint, on the morning of May 19, 2004, KHALIL and GRINBERG, an Israeli citizen employed at the Tober Group, a shipping and logistics company based in Brooklyn, New York, met with the undercover agent at Manhattan

Mini Storage located at 645 West 44th Street in Manhattan to pick up the night-vision equipment. The undercover agent showed KHALIL and GRINBERG a crate filled with fourteen pieces of "Generation 3" night-vision equipment, including night-vision goggles and infrared aiming devices. The infrared aiming devices were designed to be mounted on M-16 and other military rifles for target acquisition purposes when using night-vision goggles. Generation 3 is the highest level of night-vision technology and cannot be exported without a license.

As explained in the Complaint, KHALIL tried on the night-vision goggles. GRINBERG told the undercover agent that he didn't need to try on the equipment because he had military experience and knew what the items were. GRINBERG also said that he had access to these types of night-vision goggles. KHALIL and GRINBERG then loaded the equipment inside a minivan. KHALIL also accepted a down payment of \$2,500 from the undercover agent for the shipment to Greece. KHALIL and GRINBERG were then placed under arrest.

KHALIL was arrested on the charges in the Complaint on May 24, 2004 and detained. KHALIL had previously been arrested and detained on the basis of the Arkansas money laundering charges. GRINBERG was arrested on May 19, 2004 on a separate Complaint charging him with export violations. GRINBERG was released on a \$100,000 personal recognizance bond, secured by \$20,000 in cash and co-signed by two people.

KHALIL, 39, resides in Beirut, Lebanon, and Montreal, Canada. GRINBERG, 30, resides in Manhattan.

If convicted on the charges in the Indictment, KHALIL faces a maximum combined penalty of 30 years' imprisonment, and a \$750,000 fine. GRINBERG faces a maximum penalty of 5 years' imprisonment and a \$250,000 fine.

MR. KELLEY praised the investigative efforts of the Federal Bureau of Investigation, the United States Commerce Department, the Department of Homeland Security and the New York City Police Department.

Assistant United States Attorney DAVID P. BURNS is in charge of the prosecution.

The charges are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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